

SENATE OF PAKISTAN
House of the Federation

Report No. 01 of 2020



REPORT AUGUST, 2020

REPORT OF THE SENATE STANDING COMMITTEE ON OVERSEAS PAKISTANIS AND HUMAN RESOURCE DEVELOPMENT ON THE RESOLUTION MOVED BY SENATOR GHOUS MUHAMMAD KHAN NIAZI IN THE SENATE ON 13TH JULY, 2020 REGARDING REDUCTION IN THE PENSION, BEING GRANTED TO RETIRED AND OLD AGED WORKERS BY THE EMPLOYEES OLD AGE BENEFIT INSTITUTION, FROM RS. 8500/- TO RS. 6500/-

PRESENTED BY

**SENATOR HILAL-UR-REHMAN
CHAIRMAN (COMMITTEE)**

SENATE SECRETARIAT

REPORT OF THE SENATE STANDING COMMITTEE ON OVERSEAS PAKISTANI AND HUMAN RESOURCE DEVELOPMENT ON RESOLUTION MOVED BY SENATOR GHOUS MUHAMMAD KHAN NIAZI IN THE SENATE ON 13TH JULY, 2020 REGARDING REDUCTION IN THE PENSION, BEING GRANTED TO RETIRED AND OLD AGED WORKERS BY THE EMPLOYEES OLD AGE BENEFIT INSTITUTION, FROM RS. 8500/- TO RS. 6500/-

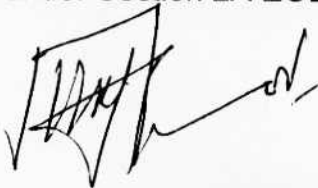
I, Senator Hilal-ur-Rehman, Chairman, Senate Standing Committee on Overseas Pakistanis and Human Resource Development, have the honour to submit, on behalf of the Committee, this report on the Resolution moved by Senator Ghous Muhammad Khan Niazi in the Senate, "regarding reduction in the pension, being granted to retired and old aged workers by the Employees Old Age Benefit Institution, from Rs. 8,500/- to Rs. 6,500/-" referred by the House on 13-07-2020 to the Committee for consideration and report.

3. The Meeting was attended by the following members: -

1. Senator Hilal-ur-Rehman	Chairman
2. Senator Nighat Mirza	Member
3. Senator Shaheen Khalid Butt	Member
4. Senator Samina Saeed	Member
5. Senator Molvi Faiz Muhammad	Member

4. The Chairman, EOBI briefed the Committee that the present Government has increased the EOBI pension from Rs. 5,250/- to Rs. 8,500/- per month (62%) in 2 years, which is unprecedented. The present Government had announced an increase in minimum pension of EOBI @ Rs.6,500 to @ Rs.8,500 which is 30% increase w.e.f January 2020 in the month of December, 2019. The Summary for increase in minimum pension was moved by the Ministry of Overseas Pakistanis and HRD under Section 2A of EOB ACT, 1976, on the prime ground for all the minimum increase in pension for the years 2008, 2010, 2012, 2015, 2018 were approved as per Section 2A of EOB ACT, 1976 because after 18th Constitutional Amendment, the EOB Act, 1976 is frozen. The EOBI budget for the year 2019-2020 had been cleared by the ECC and subsequently approved by the Federal Cabinet. The Budget included the entire amount of increase in minimum pension provided from EOBI fund with no matching grant from the Federal Government.

5. In the meantime due to global Corona Pandemic, a massive relief package of cash entitlements to the poor segments of society amounting to more than Rs 200 billion was announced by the Federal Government. To coincide with the relief efforts of Government of Pakistan, the increase in minimum pension along with arrears of two months were allowed to EOBI pensioners on compassionate grounds so that their hardship is also mitigated to an extent. This was done in the anticipation of approval of Summary for increase in minimum pension under Section 2A EOB ACT, 1976 as had been the past practice in previous years.




6. However, the Federal Government in its Cabinet meeting held on 14th April, 2020 deferred the Summary for increase in pension of EOBI pensioners on the observation of Federal Law Minister with reference to Section 21 of EOBI Act, 1976, which requires Actuarial Valuation to be carried out before any increase in the pension. After the completion of Actuarial Valuation the case was presented before Cabinet on 2nd July, 2020 and the same was approved. Consequently, on 9th July 2020 the Ministry of Overseas Pakistanis and Human Resource Development issued Notification for increase in pension from Rs.6,500/- to Rs.8,500/- with effect from 1st January, 2020.

7. Further, the EOBI issued notification for increase of pension from 6,500/- to 8,500/- on 16-07-2020 and the revised pension for the month of July, 2020 along with arrears of three months from April, 2020 to June, 2020 have also been disbursed on 27th July, 2020.

8. As the summary was already approved by the Cabinet on 2nd July, 2020, the matter was to be briefed in the Senate but unfortunately the Minister of Parliamentary Affairs had other engagements due to which this information could not be expressed in the House extensively.

9. The Committee unanimously decided to dispose of the matter and decided to present the same before the House.


(ALTAF AHMED SHAIKH)
Secretary Committee


(SENATOR HILAL-UR-REHMAN)
Chairman (Committee)